

Barriers to technological adoption in Spain and Portugal

Steven P. Cassou · Emanuel Xavier de Oliveira

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Abstract Since 1945, both Spain and Portugal have experienced significant market transformations. These countries were both led by dictators for many years until the mid 1970s when each moved toward more democratic governments and more open markets. As a result, each experienced significant changes in output with Spain's becoming a model for proper market based transformations. Although Portugal's transformation has been less impressive it experienced improvements too. This paper uses a Parente and Prescott (J Polit Econ 102(2), 298–321, 1994; 2000) type model to investigate the recent transformations in each of these countries and quantify the extent to which barriers to technological adoption may have played for these two development experiences. Our results indicate that from 1945 to 2003 these barriers have fallen considerably but remain high, and are somewhat higher in Portugal than in Spain.

Keywords Technology barriers · Economic development · Spain · Portugal

JEL Classification E20 · O11 · O33

S. P. Cassou
Department of Economics, Kansas State University, 327 Waters Hall,
Manhattan, KS 66506, USA
e-mail: scassou@ksu.edu

E. Xavier de Oliveira
School of Business and Economics, Michigan Technological University,
Houghton, MI 49931, US
e-mail: emolivei@mtu.edu